

Message Text

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PAGE 01 STATE 015723
ORIGIN TRSE-00

INFO OCT-01 EUR-12 EA-10 ISO-00 SS-15 EB-08 XMB-02
L-03 AID-05 CEA-01 CIAE-00 COME-00 FRB-03 INR-07
NSAE-00 SP-02 STR-06 LAB-04 SIL-01 OMB-01 SSO-00
NSCE-00 USIE-00 INRE-00 SIG-01 /082 R

TREASURY

DRAFTED BY TREASURY:MRYSS:SMCP

APPROVED BY E:RNCOOPER

TREASURY:HJUNZ (DRAFT)

EB/IFD/ODF:TPARKER

EB/IFD:JABWINDER, ACTING

EUR:RVINE (DRAFT)

XMB:DFURTADO (DRAFT)

-----072172 200251Z /64

O R 200134Z JAN 78

FM SECSTATE WASHDC

TO AMEMBASSY LONDON IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY BONN IMMEDIATE

AMEMBASSY COPENHAGEN IMMEDIATE

AMEMBASSY BRUSSELS IMMEDIATE

INFO AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY STOCKHOLM

AMEMBASSY CANBERRA

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ALSO FOR USEEC, FOR AMBASSADOR FROM UNDER SECRETARY COOPER

E.O. 11652: N/A

TAGS: ETRD, OECD, EFIN

SUBJECT: EXPORT CREDITS: NEGOTIATIONS ON A NEW
INTERNATIONAL ARRANGEMENT

REF: (A) PARIS 1207, (B) STATE 306702 (1977)

1. FAILURE OF EC TO AGREE MINIMAL MODIFICATIONS PROPOSED BY US AND ACCEPTABLE TO ALL OTHER PARTICIPANTS AT JANUARY NEGOTIATIONS IN OECD FRAMEWORK RAISES SERIOUS CONCERNS ABOUT RAMPANT COMPETITIVE USE OF EXPORT CREDITS IN FUTURE.
2. SINCE INITIAL 1977 DISCUSSIONS, USG HAS SUBSTANTIALLY LOWERED ITS SIGHTS ON WHAT WE WANT TO ACHIEVE IN A NEW INTERNATIONAL ARRANGEMENT ON EXPORT CREDITS. WE ATTACH CONSIDERABLE IMPORTANCE TO ACHIEVING SUBSTANTIVE IMPROVEMENT IN PRESENT CONSENSUS. A NEW INTERNATIONAL ARRANGEMENT ON EXPORT CREDITS WILL BE IMPOSSIBLE WITHOUT GOODWILL AND COOPERATION BY EC. WE ARE CONCERNED THAT EC POSITION MAY REFLECT TOP-LEVEL UNAWARENESS OF THE IMPORTANCE WE ATTACH TO THIS ISSUE.
3. I WOULD APPRECIATE YOUR MAKING REPRESENTATIONS IN TIME TO AFFECT POSITION TAKEN BY MEMBER STATES AND COMMISSION AT JANUARY 24 MEETING IN BRUSSELS OF EC EXPORT CREDIT

REPRESENTATIVES AND SUBSEQUENTLY AT THE EC MINISTERIAL COUNCIL MEETING WHICH WE UNDERSTAND WILL TAKE PLACE AT THE END OF JANUARY. FINAL MEETING OF CONSENSUS NEGOTIATORS
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WILL OCCUR IN PARIS BEGINNING FEBRUARY 15 AND EC NEGOTIATORS NEED MANDATE BY THAT DATE TO REACH ACCOMMODATION.

- A. FOR BONN, COPENHAGEN, LONDON, AND BRUSSELS (EMBASSY AND USEC)

EMPHASIS SHOULD BE ON THE NEED FOR COOPERATION BY THE EC. WE ARE RAISING THIS ISSUE AT A HIGH LEVEL IN THE FRENCH GOVERNMENT, BUT IT IS ALSO IMPORTANT FOR EC MEMBER STATES AND THE COMMISSION TO EXERT INTRA-EC PRESSURE ON THE FRENCH TO ACCEDE TO MINIMAL PROPOSAL BY THE US WITH RESPECT TO MINOR CHANGES IN PORTIONS OF INTEREST RATE MATRIX, PERIODIC DISCLOSURE OF EXTENT OF USE OF EXPORT INFLATION INSURANCE, AND TIED AID AND MIXED AID/EXPORT CREDITS.

- B. FOR PARIS

OUR MAIN CONCERN IS THAT THE ISSUE HAS NOT RECEIVED ADEQUATE ATTENTION AT THE POLITICAL LEVEL OF THE GOF. LAST WEEK I BROUGHT IT UP WITH FROMENTMEURICE WHO INDICATED HE WOULD LOOK INTO IT. YOU SHOULD FOLLOW UP IN WHATEVER WAY YOU CONSIDER NECESSARY TO BRING ABOUT A MORE POSITIVE FRENCH POSITION. YOU SHOULD POINT OUT THAT FAILURE TO ACHIEVE SUBSTANTIVE IMPROVEMENT IN PRESENT CONSENSUS AT THE

FEBRUARY NEGOTIATIONS COULD EASILY LEAD TO RAMPANT COMPETITIVE USE OF EXPORT CREDITS TO DISTORT COMPETITION, AN OUTCOME THAT IS IN NO ONE'S INTEREST.

4. PLEASE LET ME KNOW WHAT REACTIONS YOU RECEIVE TO YOUR APPROACHES.

5. SEPTEL FOLLOWS WITH MORE DETAILS ON ORIGINAL AND PRESENT USG PROPOSAL. CHRISTOPHER

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ORIGIN EB-03

INFO OCT-01 ISO-00 /004 R

66011
DRAFTED BY EB:RHJONES:MW
APPROVED BY EB:RHJONES
-----103411 212342Z /64
P 212323Z JAN 78
FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY

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FOR BARRACLOUGH FROM WATSON

FOL RPT STATE 015723 SENT ACTION LONDON, PARIS, BONN, COPENHAGEN,
BRUSSELS INFO OTTAWA, TOKYO, STOCKHOLM & CANBERRA DTD 20 JAN 78

QUOTE: LIMITED OFFICIAL USE STATE
015723

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE015723
Document Source: CORE
Document Unique ID: 00
Drafter: MRYSS:SMCP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780029-1080
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780139/aaaabgzc.tel
Line Count: 237
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e914c7e1-c288-dd11-92da-001cc4696bcc
Office: ORIGIN TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 PARIS 1207, 78 STATE 306702
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3738487
Secure: OPEN
Status: NATIVE
Subject: EXPORT CREDITS: NEGOTIATIONS ON A NEW INTERNATIONAL ARRANGEMENT
TAGS: ETRD, EFIN, OECD
To: LONDON PARIS MULTIPLE
Type: TE
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Review Markings:
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